NiQuan Energy Trinidad Limited

Completing the Gas to Liquids Plant in Pointe-à-Pierre

NiQuan will bring clean diesel, jobs, and dynamic new growth initiatives to Trinidad and Tobago using state of the art technology, a proven management team, and the relationships necessary to successfully complete the project.

SERVICES

- Project Development
- Project Financing
- Operations

Creating Value…

We provide Local Value Added Strategy and Policy guidance as well as approaches to optimizing outcomes from Negotiations on Oil, Gas and LNG developments.

We facilitate the arrangement and review of financing alternatives and recommend upon the optimum financing options for various project developments.

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The view ahead
Kevin RAMNARINE
Minister of Energy and Energy Affairs

To thrive in a curtailed market
Indar MAHARAJ
President
NATIONAL GAS COMPANY

Seaward bound
Vernon PALTOO
President
NATIONAL ENERGY
The world's sixth-largest LNG plant is located in Trinidad and Tobago, where the Atlantic joint venture runs a facility with almost 15 million tonnes per year in production capacity. Two of the Atlantic LNG plant's major investors made headlines in April 2015, when Shell announced plans for a $70-billion acquisition of BG Group. The move will make Shell the largest stakeholder in all four Atlantic LNG trains.

Trinidad and Tobago is one of the premier suppliers of natural gas and petrochemicals to the world. The southernmost nation of the Caribbean, this twin-island Republic is endowed with a wealth of resources that have been harnessed by the best local and international expertise to develop a dynamic, technologically advanced energy sector.

Principal activities include exploration, production and marketing of Liquefied Natural Gas, petrochemicals, crude oil and various other derivatives. Favourable rates of exchange along with attractive financial and legal frameworks make Trinidad and Tobago a preferred destination for investment in the global marketplace.
The Energy of Economic Growth

NGC’s US $7 billion asset base provides an enviable platform for economic growth. Among its pioneering subsidiaries are the National Energy Corporation of Trinidad and Tobago Limited, which provides infrastructural and marine asset development for the energy industry, Phoenix Park Gas Processors Limited (PPGPL), one of the largest gas-processing facilities in the Americas, and NGC CNG Company Limited, charged with accelerating and expanding the use of CNG as an alternative, cleaner transportation fuel in the country.

The Energy of Sustainability

NGC has committed itself to the preservation of the natural environment by applying a ‘no net loss’ principle to its business. Through its 10-year reforestation programme, the Company is restoring areas of forest equivalent to that cleared during construction activities.
The Energy of Success

With a business portfolio ranging from purchase, transmission and sale to commercial and industrial distribution of natural gas, NGC is a renowned leader in the local, regional and international energy industry. The Company’s depth of expertise and achievement has fuelled its reputation as a global model of economic and industrial success.

The Energy of Human Potential

NGC as a corporate citizen plays a leading role in mentoring, enabling and developing individuals and communities across every spectrum of Trinidad and Tobago’s multi-faceted society. In the areas of Sport, Civic Life and Empowerment, the organisation commits substantial investment towards maximising indigenous human potential, in order to facilitate the development of the nation’s resources and environment.
Diplomacy & Politics

2015 is an election year for Trinidad and Tobago. A new parliament will be created amid the fall in global oil prices, which are the basis of the government’s budgetary planning. Prime Minister Kamla Persad-Bissessar has various plans in place to help the country through potentially difficult economic times, including cancelling or shelving infrastructure projects that are deemed non-critical.

30 Exploration & Production

Trinidad and Tobago’s petroleum industry managed to reach a peak crude oil output of 181,000 barrels per day in 2005 and is now in a period of steady decline. New extraction technologies have made the country’s underexplored deepwater fields accessible for development. International oil companies have renewed interest in the region and are expected to increase exploration activity. However, Trinidad’s complex geological structures may prove challenging.
Photos (1 - 3): Port of Brighton, the National Energy Explorer and Port of Galeota.

National Energy
Providing Limitless Possibilities

National Energy is at the forefront of the diversification of Trinidad and Tobago’s energy sector - conceptualising, promoting, developing and facilitating new energy-based and downstream industries.

Currently we are engaged in several key projects along Trinidad’s south-western and south-eastern coasts that are significant to the Government of Trinidad and Tobago’s plans to enhance and expand the local energy industry.

These include:

- The operationalization of the Port of Galeota
- The establishment of a methanol-to-dimethyl ether plant at Union Industrial Estate, La Brea

Trinidad and Tobago will benefit through:

- Capacity building
- Employment opportunities
- GDP growth
- Expansion into new markets

National Energy is providing limitless possibilities within the local energy sector and positioning Trinidad and Tobago to be a leader in the expanding global energy industry.

We are National Energy...the Future of Energy!
The Trinidadian market is home to an increasing number of independent production companies. Smaller entities are slowly gaining market share and could help the country retain funds normally lost to large internationals. The Goudron field will play a big role in this development as a relatively young field holding good potential for further investment.

The Year's Focus: Independent Oil Producers

Trinidadian market is home to an increasing number of independent production companies. Smaller entities are slowly gaining market share and could help the country retain funds normally lost to large internationals. The Goudron field will play a big role in this development as a relatively young field holding good potential for further investment.

Banking, Finance & Consultancy

In the final quarter of 2014, a $50-million budget surplus came as a surprise after a deficit projected at nearly $154 million. The reversal boosted the outlook on Trinidad and Tobago's economic potential for 2015 after the drop in oil prices threw a budget largely based on oil prices of $45 per barrel. Phoenix Park Gas Processors' planned 2015 initial public offering comes as an encouraging sign.

Local Oilfield Services

Trinidad and Tobago's oilfield services and suppliers run in a lean manner to stay competitive against their larger international counterparts. To achieve this goal, domestic companies focus on niche markets, mostly selling smaller, easier-to-transport supplies and equipment that allows for higher turnover. Large companies have a difficult time extracting profits from smaller projects.

MARKET ANALYSIS: Shortage story

The success of independent oil producers in Trinidad and Tobago is the result of a number of factors. The Trinidadian market is home to an increasing number of independent production companies. Smaller entities are slowly gaining market share and could help the country retain funds normally lost to large internationals. The Goudron field will play a big role in this development as a relatively young field holding good potential for further investment.

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Trinidad and Tobago (Trinidad & Tobago)

Production

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IN RIGS: Offshore platforms in Trinidad and Tobago, 1992-2015

IN RIGS: Total number of rig days in Trinidad and Tobago, 2007-2014

INVESTOR SPOTLIGHTS: Esau Oilfield Supplies, Cameron (Trinidad), Trinidad and Tobago Local Content Chamber

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ARTICLE: Services shifts. Services sector slows temporarily

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102 INTERNATIONAL OILFIELD SERVICES

The year's focus: Independent Oil Producers

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In 2015, Trinidad and Tobago’s oilfield services sector faces challenges. Capital expenditure has decreased and hydrocarbons companies are laying off employees worldwide due to the slump in oil prices. New deepwater developments in the country offer hope that the situation will be brief. Blocks 3 and 7 have been licensed for development and large 3D-seismic surveys are in the process of being interpreted, which should identify further opportunities.

### International Oilfield Services

The number of offshore platforms in Trinidad and Tobago is increasing, which is bringing new construction projects to both the upstream and downstream sectors. BP’s Juniper development could stimulate construction of new petrochemicals processing plants, while port expansions are in progress to facilitate offshore growth. Phase two of the Port of Galeota expansion is underway in 2015.

### Engineering & Construction

Opportunities created by new petrochemicals processing plants and downstream petrochemicals manufacturing. There are also plans to improve a manufacturing infrastructure that will support multiple burgeoning sectors, including natural gas production and downstream petrochemicals manufacturing. The Port of Galeota will be important logistics centre when it is completed.

### Ports & Logistics

Trinidad and Tobago’s vital oil industry hit a low point in the 1980s and the government has since made major efforts to diversify its hydrocarbons development. At ports throughout the country, the government is building marine infrastructure that will support multiple burgeoning sectors, including natural gas production and downstream petrochemicals manufacturing. There are also plans to improve a berth at the Port of Brighton beginning in 2015.
Petrotrin Committed to economic development in Trinidad and Tobago
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What will be achieved by the Natural Gas Master Plan 2014-2024?

Trinidad and Tobago needs a well-researched 10-year plan detailing natural gas policy to manage challenges such as the impact of the US shale industry on gas markets and production-sharing contract renewals in the face of a shortfall in hydrocarbons supply. The Natural Gas Master Plan 2014-2024 will detail the direction that the country should take in deciding the best use of its gas supply. The report will help Trinidad and Tobago to determine how best to use its diminishing resources to benefit the country as a whole.

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How do independent oil producers play a role in the country’s oil production?

Independent oil producers represent the future of land-based production. Current land-based production rates are around 25,000 bopd. Production from independent operators increases yearly. Estimates suggest that the collective production of independents will surpass Petrotrin’s output in the coming years.

Independent producers have demonstrated their efficiency time and time again. Trinidad-focused LGO Energy resuscitated the Goudron oilfield, which produced only 50 bopd in 2013. Production rates for this oilfield now stand at around 2,000 bopd. The company has also completed an aeromagnetic survey of its acreage to identify new potential resources.

The future is promising for LGO, as well as Canada’s Touchstone Exploration and Lease Operators, an associated company of Trinidadian business Well Services Petroleum Company. Trinidad and Tobago had a very successful 2013 onshore bid round, awarding three blocks to Australia’s Range Resources, Touchstone Exploration and Lease Operators. The results were made public in February 2014, and the licences were signed in November 2014.

The country has plans to launch both land acreage and shallow-water bid rounds in the near future. Plans for imminent deepwater bid rounds have been tabled because of the cost involved. It was therefore important to lock in nine production-sharing contracts for deepwater to be actioned over the course of the next couple of years.

Trinidad and Tobago has seen gas curtailments since 2010. How will this issue be addressed in the medium term?

Gas curtailments have an impact on downstream plants at the Point Lisas Industrial Estate. This effect will not recede in the foreseeable future. Curtailments of as much as 20 percent are being seen in 2015 because of a period of underinvestment by a number of upstream companies between 2008 and 2010.

To combat the problem, the energy ministry has incentivised drilling. In 2009, the number of rig days was 744, while in 2014, rig days totalled 2,443. This shows a marked increase.

The view ahead

Minister of Energy and Energy Affairs Kevin Ramnarine talks to TOGY about recent developments in Trinidad and Tobago’s energy industry, as well as its outlook for 2015 and the medium term. The ministry regulates activity in the country’s oil and gas industry throughout the value chain.

The country has plans to launch both land acreage and shallow-water bid rounds in the near future.
The impact of curtailments will continue to be a factor well into 2017, when BPTT’s Juniper offshore platform project comes on line. The project has already started up at the Coralita and Lantana fields off the southeast coast of Trinidad, and the platform is being fabricated at the Union Industrial Estate in La Brea.

While more upstream activity will not eliminate gas curtailments, it will alleviate their impact. Although slightly behind schedule, BG Group’s Starfish gas development delivered its first gas in December 2014. Chevron and BG Group are 50-percent stakeholders in the $550-million development. The Starfish field is connected to the Dolphin platform and will also provide gas as feedstock for the four-train Atlantic LNG facility.

BG Group will develop gas resources in blocks 5c and 5d, which may hold significant volumes of reserves. The company acquired the remaining 25-percent stake in its operated block 5c for $62 million from Canada’s Niko Resources in March 2014, growing its base.

Work is being conducted around the country in an effort to bring more gas into the system and fight the decline of existing reservoirs. In the current environment, it is difficult and challenging to sustain the base gas production figure of 115 mcm (4.07 bcf) per day.

Where is the upstream sector headed today with respect to Petrotrin and tax reforms?

Trinidad and Tobago has an output of more than 81,000 barrels of oil per day (bopd). The country’s production is slated to exceed 90,000 bopd before 2017, with a five-year projection of reaching more than 100,000 bopd. Petrotrin and its Trinmar division will be central to achieving a national increase with its three-year goal of growing from its current output of around 21,000 bopd to 35,000 bopd.

Petrotrin’s 3D-seismic surveys will be a key component to this programme, identifying additional land prospects. Realisation of these goals could mean a renaissance of land production for oil in Trinidad and Tobago.

One of the tools being used to encourage the upstream sector is fiscal policy. Industry operators have made suggestions through The Energy Chamber regarding the fiscal tax regime. The government has provided tax breaks and concessions in the last four years that have reinvigorated the upstream sector. A tax reform committee was formed to determine the necessity of a fifth round of incentives.

How will becoming compliant with the Extractive Industries Transparency Initiative (EITI) aid the country’s extractive industry?

A total of 46 companies operating in Trinidad and Tobago have voluntarily reported their contribution to the country’s revenue. However, remaining EITI compliant will be challenging. The country has been on the path towards full EITI recognition since 2003, with reinvigorated efforts taking place in 2010.

EITI recognition has several benefits, including distinguishing Trinidad and Tobago as a serious oil and gas producer. It also tells operators that transparency is a priority for the country and strengthens the extractive industry’s systems for accountability and identifying weaknesses. Finally, EITI membership empowers civil society to develop its understanding of the energy industry. The EITI governance structure includes civil society, business and government – a tripartite arrangement that will benefit the country.

“The impact of curtailments will continue to be a factor well into 2017, when BPTT’s Juniper offshore platform project comes on line. The project has already started up at the Coralita and Lantana fields off the southeast coast of Trinidad, and the platform is being fabricated at the Union Industrial Estate in La Brea.”

Why is the initial public offering (IPO) of Trinidad and Tobago NGL (TTNGL) so important to the country?

The TTNGL IPO will be a huge part of Trinidad and Tobago’s legacy. Phoenix Park Gas Processors, which is 39 percent owned by TTNGL, has made profits since its creation in 1989. The company is a well-run business and holds the distinction of being the largest gas processing facility in the Western Hemisphere.

The government of Trinidad and Tobago, through the National Gas Company, acquired 39 percent of Phoenix Park Gas Processors from ConocoPhillips for $600 million in August 2013 with plans to list the company on the Trinidad and Tobago Stock Exchange. The government has approved the TTNGL IPO. The Ministry of Finance and the Economy is working with the National Gas Company to ensure that the offering moves forward.

This manoeuvre would essentially allow for the democratisation of the energy industry, enabling private citizens to have direct ownership in it. It would also provide for more proper corporate governance, given the scrutiny that is applied to publicly listed companies.

THE YEAR’S AWARDS – TRINIDAD & TOBAGO 2015

The Year's Awards – Trinidad & Tobago 2015

In January 2015, Trinidad and Tobago became compliant with the Extractive Industries Transparency Initiative (EITI). The multi-year process was led by Trinidad and Tobago’s EITI Secretariat, EITI Steering Committee and Ministry of Energy and Energy Affairs and makes the country only the second in the Americas to achieve compliance. Forty-six companies in the domestic extractive industry, including BP, BG, Repsol, BHP Billiton, Petrotrin, National Gas Company and EOG Resources, voluntarily submitted revenue receipts to the government as part of the undertaking.

**MAN OF THE YEAR**

Kevin RAMNARINE

Minister of Energy and Energy Affairs Kevin Ramnarine spearheaded the design of an exhaustive natural gas master plan that is expected to guide the domestic sector during the next 10 years. Since coming into office in 2010, the minister has overseen the signing of 12 production-sharing contracts. Nine of these were for deepwater blocks and three were for onshore licences, awarded to three independent oil producers. Ramnarine was instrumental in seeing first gas delivered at UK-based BG Group’s Starfish development project in December 2014. Furthermore, he has guided Trinidad and Tobago towards compliance with the Extractive Industries Transparency Initiative.

**UPSTREAM DEVELOPMENT OF THE YEAR**

The Goudron oilfield, resuscitated by independent oil producer LGO Energy under CEO Neil Ritson, has exceeded expectations. A 30-well development programme began in 2014 during which oil pay was reached in the first eight wells drilled. The seventh well, GY-670, was completed in December 2014 and produced at an initial constrained flow rate of more than 1,000 barrels of oil per day. Goudron production as of April 2015 was around 2,000 barrels of oil per day. A further seven development wells are expected to be drilled by the end of the year.

**OFFSHORE ACTIVITY OF THE YEAR**

From March 2014 until mid-February 2015, UK-Australian operator BHP Billiton conducted a 20,000-square-kilometre 3D-seismic survey in the deepwater blocks for which they had successfully signed production-sharing contracts in 2012 and 2013. The survey was the largest undertaken by an international oil company globally, covering an area nearly four times the size of Trinidad and Tobago’s land mass, and utilised ultra-capacity vessels Ramform Titan and Ramform Atlas. The processing of data from the survey will take up to 18 months to complete.

**ACQUISITION OF THE YEAR**

In 2015, Tucker Energy Services celebrated its 80th year as a local Trinidad and Tobago energy services company. It has continued to expand Trinidadian technological know-how and expertise internationally to Venezuela, Colombia, Brazil, Suriname and Belize. In the last five years, Tucker’s growth can be attributed largely to its fast expansion in the fracturing business. Over the course of 2014 and 2015, it has become entrenched in the US’ shale oil and gas industry and is able to compete with larger international services and supplies companies.

**SERVICES PROVIDER OF THE YEAR**

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**INSTITUTIONAL INITIATIVE OF THE YEAR**

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